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Air France-KLM S.A.

**Statutory Auditors' Report on the Issuance of
Shares and Other Marketable Securities with
or without Preferential Subscription Rights**

Combined Shareholders' Meeting of May 16, 2017
12th, 13th, 14th, 15th, 16th, 17th, 19th, 20th, 21st, 22nd, 23rd
and 24th resolutions
Air France-KLM S.A.
2, rue Robert Esnault-Pelterie – 75007 Paris



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Air France-KLM S.A.

Registered office: 2, rue Robert Esnault-Pelterie – 75007 Paris
Share capital: €300,219,278

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Statutory Auditors' Report on the Issuance of Shares and Other Marketable Securities with or without Preferential Subscription Rights

Combined Shareholders' Meeting of May 16, 2017 – 12th, 13th, 14th, 15th, 16th, 17th, 19th, 20th, 21st, 22nd, 23rd and 24th resolutions

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with the engagement set forth in Articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposals to delegate authority to the Board of Directors to issue shares and/or other marketable securities. You are being asked to vote on the proposed transactions.

The Board of Directors proposes, on the basis of its report:

- that you delegate it authority, for a 26-month period as from the date of this Shareholders' Meeting, usable outside of public offering period, to decide on the following transactions and determine the final conditions thereof, and, where appropriate, to cancel your preferential subscription rights:
 - issuance of (i) ordinary shares of your Company and (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities, while maintaining preferential subscription rights (resolution 12);
 - public offering, and cancellation of shareholders' preferential subscription rights, of (i) ordinary shares of your Company and (ii) marketable equity securities granting access to other Company equity or debt securities with a mandatory priority subscription period (resolution 13);
 - public offering, and cancellation of shareholders' preferential subscription rights (resolution 14), of (i) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (ii) all marketable securities granting access, by any means, to Company equity securities by companies whose share capital is more than 50% held, directly or indirectly by the Company, with an optional priority subscription period;

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- issuance, and cancellation of shareholders' preferential subscription rights, by way of a private placement as described in Article 411-2 section II of the French Monetary and Financial Code (Code monétaire et financier) (resolution 15), of (i) ordinary shares and (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities;
- that you delegate it authority, for a 26-month period as from the date of this Shareholders' Meeting, usable during a public offering period, to decide on the following transactions and determine the final conditions thereof, and, where appropriate, to cancel your preferential subscription rights:
 - issuance of (i) ordinary shares of your Company and (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities, while maintaining preferential subscription rights (resolution 19);
 - public offering, and cancellation of shareholders' preferential subscription rights, of (i) ordinary shares of your Company and (ii) marketable equity securities granting access to other Company equity or debt securities with a mandatory priority subscription period (resolution 20);
 - public offering, and cancellation of shareholders' preferential subscription rights (resolution 21), of (i) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (ii) all marketable securities granting access, by any means, to Company equity securities by companies whose share capital is more than 50% held, directly or indirectly by the Company, with an optional priority subscription period;
 - issuance, and cancellation of shareholders' preferential subscription rights, by way of a private placement as described in Article 411-2 section II of the French Monetary and Financial Code (Code monétaire et financier) (resolution 22), of (i) ordinary shares and (ii) marketable securities, including debt securities, granting access to Company equity securities to be issued in the future and (iii) marketable securities that are equity securities granting access to other equity securities of your Company or debt securities;
- that you delegate it the authority, for a 26-month period as from the date of this Shareholders' Meeting, excluding during a public offering period, to issue ordinary shares and/or marketable securities conferring entitlement to Company equity securities, to compensate in-kind contributions granted to the Company comprising equity securities or marketable securities conferring entitlement to Company equity (resolution 17), for a maximum of 10% of share capital.

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- that you delegate it the authority, for a 26-month period as from the date of this Shareholders' Meeting, during a public offering period, to issue ordinary shares and/or marketable securities conferring entitlement to Company equity securities, to compensate in-kind contributions granted to the Company comprising equity securities or marketable securities conferring entitlement to Company equity (resolution 24), for a maximum of 5% of share capital.

In accordance with resolution 12, the total nominal amount of capital increases to be carried out immediately or in the future, outside of public offering period, pursuant to resolutions 12, 13, 14, 15, 16 and 17 resolutions may not exceed €150 million, including any capital increases made under resolutions 18 and 25, noting that:

- the amount of capital increases carried out under the authority delegated by resolutions 12, 13, 14, 15 and 17 resolutions may not exceed €150 million, €45 million, €30 million, €30 million and €30 million respectively,
- the amount of capital increases carried out pursuant to resolution 13 will be allocated to and subject to the limit set in resolution 12,
- the amount of capital increases carried out pursuant to resolution 14 will be allocated to and subject to each of the limits set in resolutions 12 and 13,
- the amount of capital increases carried out pursuant to resolutions 15 and 17 will be allocated to and subject to each of the limits set in resolutions 12, 13 and 14.

In accordance with resolution 12, the total nominal amount of debt securities issued, outside of a public offering period, pursuant to resolutions 12, 13, 14 and 15 may not exceed €1 billion.

These maximum amounts take into account the number of additional securities to be issued under the delegations of authority mentioned in resolutions 12, 13, 14 and 15, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, if resolution 16 is adopted.

In accordance with resolution 19, the total nominal amount of capital increases to be carried out immediately or in the future, within a public offering period, pursuant to resolutions 19, 20, 21, 22, 23 and 24 resolutions may not exceed €75 million, after deduction of any capital increases carried out pursuant to resolution 25, noting that:

- the amount of capital increases carried out under the authority delegated by resolutions 19, 20, 21, 22 and 24 may not exceed €75 million, €22.5 million, €15 million, €15 million and €15 million respectively,
- the amount of capital increases carried out pursuant to resolution 19 will be allocated to and subject to each of the limits set in resolution 12,
- the amount of capital increases carried out pursuant to resolution 20 will be subject to each of the limits set in resolutions 12, 13 and 19,
- the amount of capital increases carried out pursuant to resolution 21 will be allocated to and subject to each of the limits set in resolutions 12, 14, 19 and 20,

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- the amount of capital increases carried out pursuant to resolution 22 will be allocated to and subject to each of the limits set in resolutions 12, 15, 19, 20 and 21,
- the amount of capital increases carried out pursuant to resolution 24 will be allocated to and subject to each of the limits set in resolutions 12, 17, 19, 20 and 21.

In accordance with resolution 19, the total nominal amount of debt securities issued, within a public offering period, pursuant to resolutions 19, 20, 21 and 22 may not exceed €1 billion.

These maximum amounts take into account the number of additional securities to be issued under the delegations of authority mentioned in resolutions 19, 20, 21 and 22, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, if resolution 23 is adopted.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. It is our responsibility to express our opinion on the fairness of the quantitative information derived from the financial statements, on the proposed cancellation of preferential subscription rights and on other information relating to the transactions presented in the report.

We performed the procedures we deemed necessary in accordance with professional guidelines issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. Our work consisted in verifying the content of the Board of Directors' report relating to these transactions and the methods used to determine the issue price of the equity securities.

Subject to subsequent review of the conditions governing the issuances decided, we have no comments to make on the methods used to determine the issue price of the equity securities to be issued, presented in the Board of Directors' report pursuant to resolutions 13, 14, 15, 20, 21 and 22.

Moreover, as your Board of Directors' report does not specify the methods used to determine the issue price of the equity securities to be issued under resolutions 12, 17, 19 and 24, we do not express an opinion on the components used to calculate the issue price of the equity securities.

As the final conditions governing the issuances have not yet been determined, we do not express an opinion on them or on the proposed cancellation of preferential subscription rights, as presented in resolutions 13, 14, 15, 20, 21 and 22.



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In accordance with Article R.225-116 of the French Commercial Code, we shall prepare an additional report, where appropriate, when your Board of Directors uses the delegation of authority to issue marketable equity securities conferring entitlement to other equity or debt securities or marketable securities conferring entitlement to equity securities to be issued in the future or ordinary shares with the cancellation of preferential subscription rights.

Paris La Défense and Neuilly-sur-Seine, February 16, 2017

The Statutory Auditors

KPMG Audit
Division of KPMG S.A.

Deloitte et Associés

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